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MINISTRY OF COMMERCE & INDUSTRY

RESOLUTION

TARIFFS

New Delhi, the 7th September 1955

No. 11(1)-T.B./55.—The Tariff Commission has submitted its Report on the continuance of protection to the Electric Motor Industry, on the basis of an enquiry undertaken by it under Sections 11(e) and 13 of the Tariff Commission Act, 1951. Its recommendations are as follows:—

- (1) Protection to the industry should be continued for a further period of three years, that is up to 31st December, 1958, and protective duty at the rate of 15 per cent. *ad valorem* should be levied on imports of squirrel cage induction motors of brake-horse-power not exceeding 100 but not less than one quarter of one brake-horse-power and slip ring motors of brake-horse-power not exceeding 100 but not less than one brake-horse-power; excluding flame proof motors and variable speed commutator motors.
- (2) Protective duty should be levied at the rate of 20 per cent. *ad valorem* for a further period of three years, i.e. upto 31st December, 1958, on component parts of electric motors specified in (1) above, but excluding control gear for the same, provided that only such articles should be deemed to be component parts as are essential for the working of the electric motors and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose.
- (3) So long as import control has to be maintained on balance of payments grounds, Government should give due consideration to such factors as the capacity of the indigenous industry, its production and the demand in the country in regulating imports of electric motors.
- (4) Government should arrange with the Collectors of Customs and the Director General of Commercial Intelligence and Statistics to record separately the total number and value of electric motors under each of the following categories:—
 - (i) Squirrel cage induction motors less than 1 b.h.p.
 - (ii) Squirrel cage induction motors of 1 to 50 b.h.p.
 - (iii) Squirrel cage induction motors of 51 to 100 b.h.p.
 - (iv) Squirrel cage induction motors of 101 to 200 b.h.p.
 - (v) Squirrel cage induction motors above 200 b.h.p.

- (vi) Slip ring motors of 1 to 50 b.h.p.
- (vii) Slip ring motors of 51 to 100 b.h.p.
- (viii) Slip ring motors of 101 to 200 b.h.p.
- (ix) Slip ring motors above 200 b.h.p.
- (x) All other fractional H.P. motors below 1 H.P. not covered by the above classification.
- (xi) All other motors of integral H.P. not covered by the above classification.
- (5) The Indian Standards Institution should consider the feasibility of evolving dimensional standards for electric motors suitable for conditions in India as early as possible.
- (6) To enable manufacturers of electric motors to satisfy the purchasers regarding the quality of motors, we recommend that facilities should be provided by Government for type testing as well as testing under actual working conditions and for issue of certificates embodying the results of testing by the institute carrying out such tests.
- (7) Arrangements for testing flame proof motors should be made by Government at the Fuel Research Institute, Dhanbad, or at any other suitable place as early as possible.
- (8) Imports of synthetic enamelled wire should be allowed until semi-synthetic enamelled wire produced in the country has been tested and found satisfactory by the electric motor industry.
- (9) Imports of special types of varnishes should be allowed until such types are developed by indigenous manufacturers.
- (10) Manufacturers of electric motors should obtain all their requirements of ball and roller bearings from National Bearing Company, Ltd., and only when the latter are unable to supply bearings of any size required by the manufacturers within a reasonable period, they should apply for licences to import them.
- (11) Since some of the manufacturers of electric motors have already been producing slip rings in the country, we suggest that efforts should be made by other manufacturers to obtain their supplies of slip rings from indigenous sources.
- (12) Efforts should be made by paint and varnish manufacturers in India to produce the enamel base required for synthetic enamelled wire.
- (13) Sankey Electrical Stampings, Ltd., Bombay, should examine further the suggestion that they should charge prices for electrical stampings on the basis of the actual wastage incurred in making stampings required by an electric motor manufacturing firm for each order placed by it, and that if there are no serious difficulties, a trial should be given to this method of charging prices for stampings.
- (14) Tata Iron and Steel Company Ltd., should re-examine the question of price of their electrical steel sheets and make them available to the electric motor industry at the lowest possible price.
- (15) The quality of indigenous motors is generally satisfactory, but special care is necessary in the manufacture of electric motors which are required for heavy duty or for work in special atmospheric and other conditions.
- (16) The Indian Electrical Manufacturers' Association should get in touch with Associations of Textile Mills, etc., and arrange with them for supply of indigenous motors in cases in which foreign motors need not be imported as integral parts of machinery.
- (17) It is essential that the industries using electric motors should specifically state their requirements (including special conditions in which motors have to work) to the indigenous manufacturers and that the latter should take care to remove all defects and exercise strict supervision at every stage of manufacture and carry out adequate tests before motors leave the factory.

2. Government accept recommendations (1) and (2). The protective duty of 15 per cent. *ad valorem* on the electric motors referred to is being brought into force with immediate effect and further steps to implement these recommendations will also be taken in due course.

3. Government accept recommendations (3) to (9) and will take suitable steps to implement them as far as possible.

4. The attention of the Industry is invited to recommendations (10), (11) and (15).

5. Attention of Messrs. Sankey Electrical Stampings, Ltd., Bombay, Tata Iron and Steel Company Ltd., and Indian Electrical Manufacturers' Association is invited to recommendations (13), (14) and (16), respectively.

6. Attention of the manufacturers of paints and varnishes is invited to recommendation (12).

7. Attention of the industries using electric motors and of manufacturers of electric motors is invited to recommendation (17).

TARIFFS

No. 11(1)-T.B./55.—In exercise of the powers conferred by sub-section (1) of section 3A of the Indian Tariff Act, 1934 (XXXII of 1934), as in force in India and as applied to the State of Pondicherry, the Central Government hereby directs that with immediate effect there shall be levied on the articles specified in column (1) of the Table hereto annexed, when imported into India or the said State, a duty of customs of such amount as is specified in the corresponding entry in column (2) thereof.

THE TABLE

| Name of article | Amount of duty of customs (inclusive of the duty chargeable under sub-section (1) of section 2 of the Indian Tariff Act, 1934, and any additional duty leviable under any other law for the time being in force). |
|--|---|
| (1) | (2) |
| (a) The following electric motors, namely, Squirrel cage induction motors of a brake-horse-power above 20 and upto and inclusive of 100, and slip ring motors of brake-horse-power ranging from 1 to 100 inclusive, but excluding flame proof motors and variable speed commutator motors. | 15 per cent <i>ad valorem</i> . |
| (b) Component parts of electric motors as defined in (a) above, but excluding control gear for the same, provided that only such articles shall be deemed to be component parts as are essential for the working of the electric motors and have been given for that purpose some special shape or quality which would not be essential for their use for any other purpose. | |

No. 11(1)-T.B./55.—WHEREAS the Central Government is satisfied after due enquiry that the duty chargeable under the Indian Tariff Act, 1934 (XXXII of 1934) in respect of the article specified in Item No. 72(14)(a) of the First Schedule to the said Act, and characterised as protective in the third column thereof, has become ineffective for the purpose of securing the protection intended to be afforded by it to similar articles manufactured in India;

NOW, THEREFORE, in exercise of the powers conferred by sub-section (1) of Section 4 of the said Act, as in force in India and as applied to the State of Pondicherry, the Central Government hereby increases, with effect from the 7th September 1955, the duty of customs on the said article so that the duty chargeable shall from the said date be as specified in column 3 of the table annexed hereto.

THE TABLE

| Item No. of Tariff | Name of Article | Rate of duty |
|-----------------------|--|--------------------------|
| 1 | 2 | 3 |
| 72(14) (a) | The following electric motors, namely, squirrel cage induction motors of a brake-horse-power not exceeding 20, including fractional brake-horse-power. | 15 % <i>ad valorem</i> . |

L. K. JHA, Jt. Secy.